

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION 1775 Duke Street, Alexandria, VA 22314

DATE: June 2011 **LETTER No.:** 11-CU-06

TO: Federally Insured Credit Unions

SUBJ: Technical Assistance Initiatives

ENCL: General Guidelines: 2011 Technical Assistance for Credit Unions

Dear Board of Directors:

I am pleased to announce the 2011 Community Development Revolving Loan Fund (CDRLF) Technical Assistance Initiatives. The CDRLF was established by Congress to support low-income designated credit unions serving low-income communities by providing loans and technical assistance to qualifying institutions. These initiatives provide credit unions with necessary resources to improve the quality and quantity of financial services to their members.

For 2011, we are making \$1,740,000 available for technical assistance. This amount comes from the congressional appropriations supplemented by a portion of the CDRLF's retained earnings. Due to prior high demand for technical assistance, we believe using some of the fund's retained earnings contributes to the overall success of low-income designated credit unions.

NCUA is allocating funds for the following initiatives; most of the allocations have increased over 2010 as a result of prior demand levels exceeding the total allotted amounts. The maximum amount has also been increased for some initiatives as the general cost of items such as computer hardware and software have also increased.

Technical Assistance Initiatives	NCUA Allocation	Maximum Amount
Financial Education & Financial Literacy In Schools	\$400,000	\$5,000
Partnerships & Outreach	\$300,000	\$10,000
Building Internal Capacity & Technology	\$400,000	\$7,500
Volunteer Income Tax Assistance	\$200,000	\$6,500
Staff, Official & Board Training	\$200,000	\$3,000
Student Internship & Job Creation	\$200,000	\$5,000

Generally, the initiatives remain the same as in the past; however, I would like to emphasize the Financial Education and Financial Literacy in Schools Initiative. The goal of this initiative is to improve financial literacy among the general population, with a special focus on students. Credit unions can apply for assistance under this initiative to obtain reimbursement for collaborative functions with schools, community organizations, and other financial institutions to broaden the delivery of financial literacy and financial education training.

The Urgent Needs Initiative continues to be available at all times during the year. The maximum allocation was increased to \$7,500 to cover more expenses incurred due to natural disasters or unexpected events.

I strongly encourage all low-income designated credit unions to consider the advantages of CDRLF programs and apply for technical assistance. If your credit union is not low-income designated, please review the criteria outlined in Part 701.34 of the NCUA Rules and Regulations. State-chartered credit unions must have the equivalent low-income designation from the respective state supervisory authority and concurrence from NCUA.

Further information is available from your regional office, the Office of Small Credit Union Initiatives, and on NCUA's website at www.ncua.gov.

Sincerely,

/s/

Debbie Matz
Chairman

Enclosure